

SECURITY MILK PRODUCERS ASSOCIATION

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December 20, 2005

Mr. David Ikari, Chief Dairy Marketing Branch California Department of Food and Agriculture 1220 N Street Sacramento, CA 95814

Dear Mr. Ikari:

Security Milk Producers Association, a California cooperative that services the Southern California Class 1 market, submits the following atternate proposal for the Public Hearing scheduled for January 31, 2006.

We request that the Southern California receiving area be expanded to include San Bernardino County, making milk shipments to plants within San Bernardino County eligible for transportation allowances. In addition, we request increases in the transportation allowances applied to shipments to the Southern California receiving area. The dramatic rise in transportation costs coupled with the dwindling milk supply in Southern California make these changes necessary. The details of our proposed changes are as follows:

Pooling Plan for Market Milk - Section 921.2(e)

For plants located in the Southern California receiving area which shall consist of the counties of Los Angeles, Orange, Riverside, San Bernardino and Ventura:

From zero through 89 miles \$0.12 per CWT
Over 89 miles through 109 miles \$0.32 per CWT
Over 109 through 139 miles \$0.53 per CWT
Over 139 miles \$0.76 per CWT

Security Milk Producers Association intends to participate in the workshop on January 11, 2006 and looks forward to the opportunity to present documentation supporting our requested changes at the Hearing on January 31, 2006.

Sincerely,

SECURITY MILK PRODUCERS ASSOCIATION

Hank Perkins General Manager